

20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



5501 South Cooper St, Arlington, TX 76017

Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

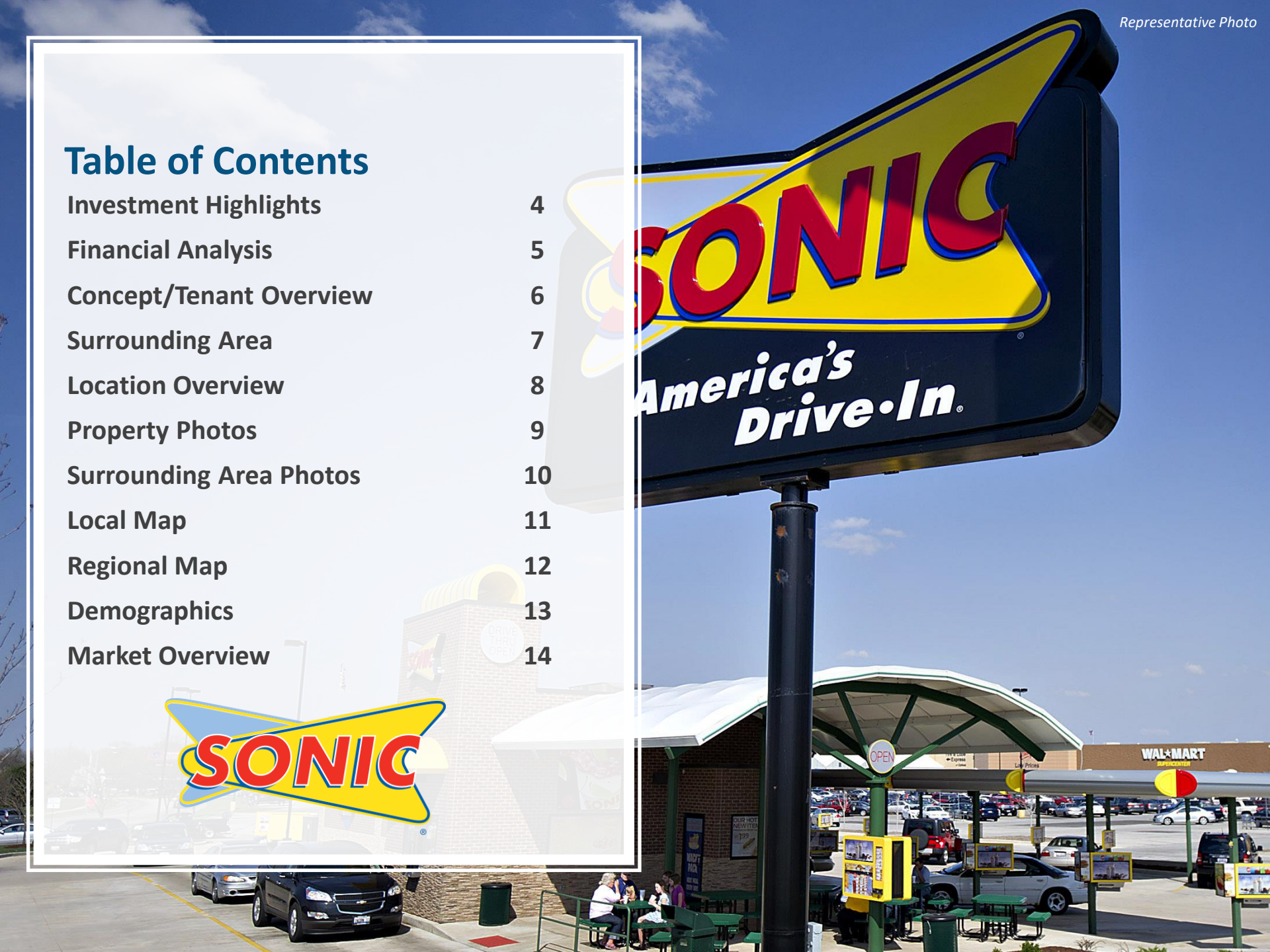


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SONIC
*America's
Drive-In®*





Investment Highlights



PRICE: \$1,800,000 | CAP: 5.00% | RENT: \$90,000

About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from AFG SR OP I, LLC (25 Units)
- ✓ 1.50% Annual Rental Increases Starting Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

About the Location

- ✓ Dense Retail Corridor | Surrounded By Kohl's, Kroger, Walmart, Dollar Tree, Aldi, Planet Fitness, McDonald's, Popeyes and Many More
- ✓ Heavily Trafficked Area | More than 98,000 VPD along South Cooper Street
- ✓ Strong Demographics | Population Within a Three-Mile Radius is More Than 113,000 | Population Within a Five-Mile Radius is More Than 319,000
- ✓ Affluent Suburban Community | Average Household Income of Approximately \$100,000 for Homes within Three Miles of the Subject Property
- ✓ Located Less Than One Mile from Harold Patterson Sports Complex | 135-Acre Sports Complex with Baseball, Football, Soccer, and Softball Fields
- ✓ Compelling Business Incentives | Located in the Income Tax-Free State of Texas

About the Brand

- ✓ Sonic Drive-In Opened Their First Restaurant in 1953 and Now Maintains More Than 3,600 Drive-In Restaurants
- ✓ Sonic Continues to Thrive | Maintenance of Strong Real Sales Growth, Industry-Leading Customer Frequency, and High Returns for Stockholders
- ✓ Rated Top QSR Restaurant Chain in 14 States Amidst Covid-19 Pandemic





Financial Analysis



PRICE: \$1,800,000 | CAP: 5.00% | RENT: \$90,000

PROPERTY DESCRIPTION

Property	Sonic
Property Address	5501 South Cooper St
City, State, ZIP	Arlington, TX
Estimated Building Size	1,391
Estimated Lot Size	+/- 0.50 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,800,000
CAP Rate	5.00%
Annual Rent	\$90,000

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR South Arlington, LLC / AFG SR OP I, LLC (25 Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year Six (6)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$90,000	\$7,500	-
Year 2	\$90,000	\$7,500	-
Year 3	\$90,000	\$7,500	-
Year 4	\$90,000	\$7,500	-
Year 5	\$90,000	\$7,500	-
Year 6	\$91,350	\$7,613	1.50%
Year 7	\$92,720	\$7,727	1.50%
Year 8	\$94,111	\$7,843	1.50%
Year 9	\$95,523	\$7,960	1.50%
Year 10	\$96,956	\$8,080	1.50%
Year 11	\$98,410	\$8,201	1.50%
Year 12	\$99,886	\$8,324	1.50%
Year 13	\$101,384	\$8,449	1.50%
Year 14	\$102,905	\$8,575	1.50%
Year 15	\$104,449	\$8,704	1.50%
Year 16	\$106,015	\$8,835	1.50%
Year 17	\$107,606	\$8,967	1.50%
Year 18	\$109,220	\$9,102	1.50%
Year 19	\$110,858	\$9,238	1.50%
Year 20	\$112,521	\$9,377	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 5501 South Cooper St in Arlington Texas. The site will consist of roughly 1,391 rentable square feet of building space on estimated 0.50-acre parcel of land. The Sonic is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$90,000 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year six (6) of the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



SONIC DRIVE-IN OVERVIEW

Sonic Corporation operates and finances the largest chain of drive-in restaurants in the United States. The first Sonic Drive-In restaurant was opened in 1953, and as of September 2020, there are approximately 3,600 Sonic's nationwide. The typical Sonic Drive-In has 16 to 24 parking space, each having its own payment terminal, intercom speaker system and menu board. Sonic offers a highly diverse menu. The menu is built around the finest quality items available, offering conveniently priced items as well as healthy alternatives. Signature food items include specialty drinks (such as cherry limeades and slushes), ice cream desserts, made-to-order chicken sandwiches and hamburgers, a variety of hot dogs including six-inch premium beef hot dogs and foot long quarter-pound coneys, hand-made onion rings and tater tots.



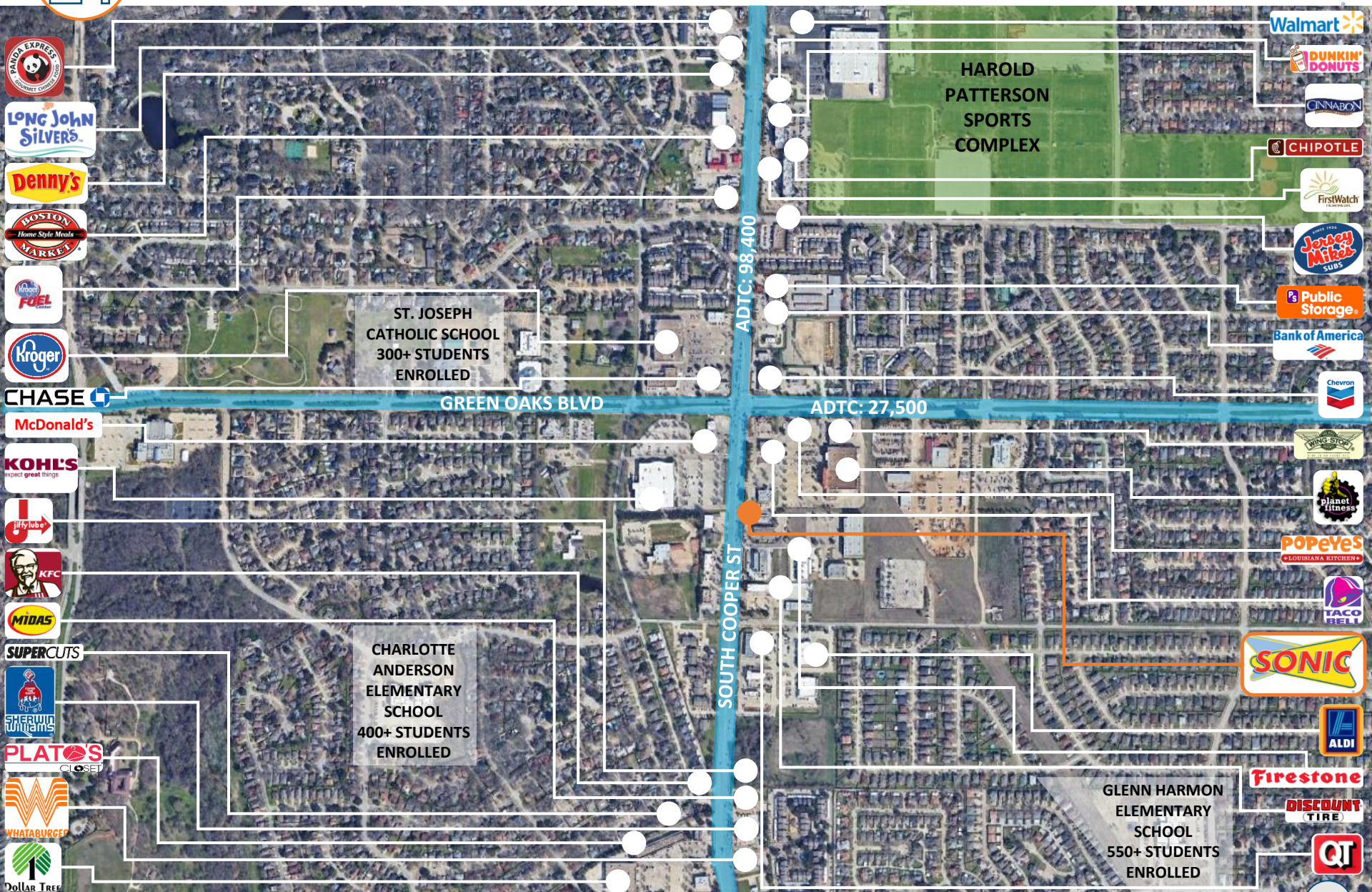
Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State



top data



Surrounding Area





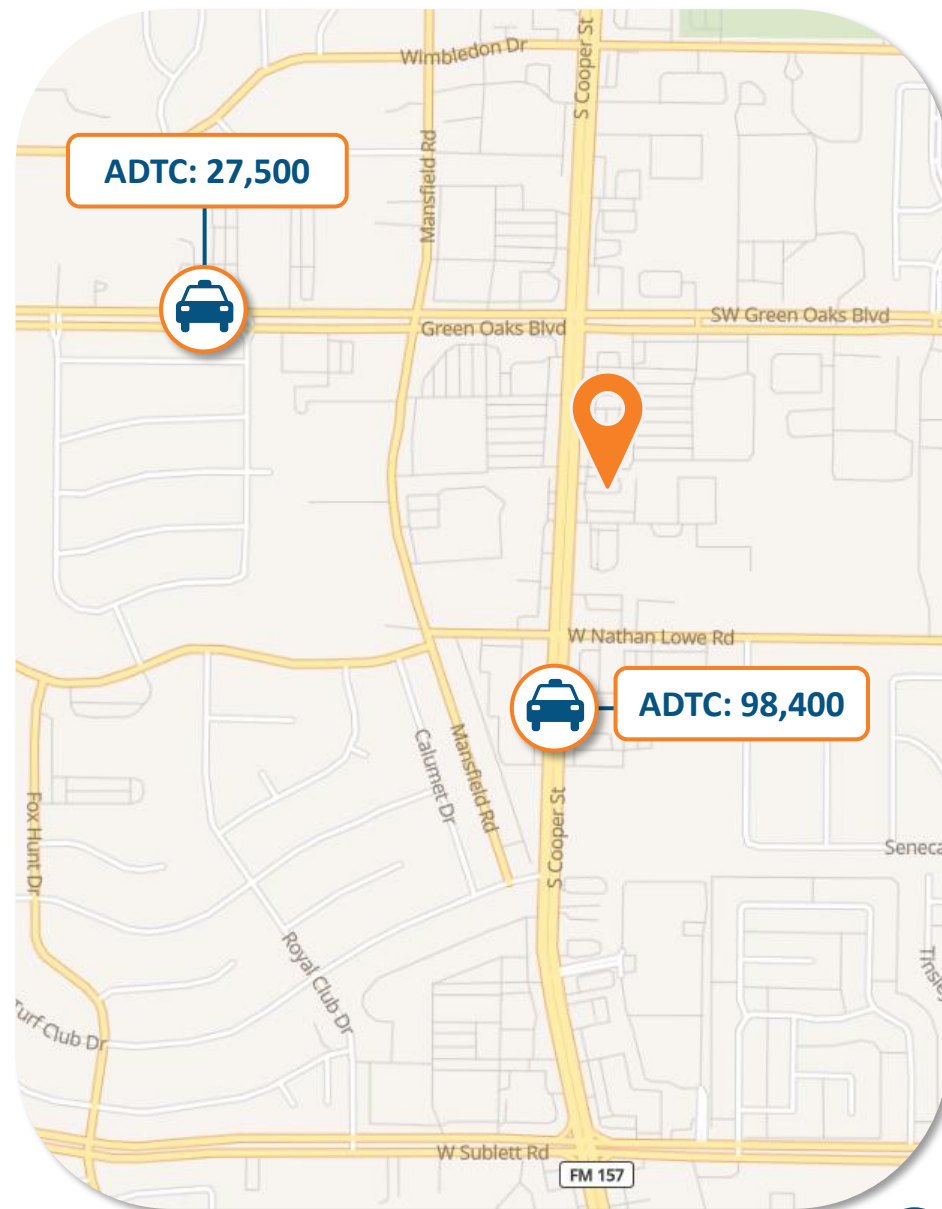
Location Overview



This Sonic Drive-In property is located at 5501 South Cooper St in Arlington, Texas. Arlington is situated between Dallas and Fort Worth which make up the state's third and fifth largest cities, respectively. This Sonic Drive-In property is located on South Cooper St, which experiences an average daily traffic count of 98,400 vehicles. Green Oaks Blvd runs perpendicular to South Cooper St and brings an additional 27,500 vehicles per day to the area. Average household income is approximately \$100,000 for homes within three miles of the subject property. There are more than 113,000 individuals residing within a three-mile radius of the subject property and more than 319,000 individuals within a five-mile radius.

The subject property benefits from its strategic location in a dense retail and residential corridor. Major retail tenants in the surrounding area include Kohl's, Kroger, Aldi, Walmart, Dollar Tree, Planet Fitness, McDonald's, Popeyes and many more. The Harold Patterson Sports Centers is located less than one mile from this Sonic location. The 135-acre park features baseball, football, soccer, and softball fields and hosts tournaments for all the above sports year-round. Additionally, three elementary schools are located within one mile of the subject property. St. Joseph Catholic School, Charlotte Anderson Elementary School, and Glenn Harmon Elementary School have a combined enrollment of over 1,200 students. The subject property additionally benefits from being located within the income tax-free state of Texas.

Dallas is a major, busy, growing, cosmopolitan and relatively affluent city. The city is made up of numerous skyscrapers, an assortment of neighborhoods and a sprawl of suburban commercial centers. Above all else Dallas is the center of corporate America. Because of its central location relative to the rest of the United States, Dallas is a population convention site and often home to many major corporate headquarters. The strong economy and wealthy population have endowed the city with a collection of arts, cultural assets and parks. The many cultural landmarks include theaters, the Dallas Museum of Art, the Meyerson Symphony Center and the Frank Lloyd Wright-inspired Dallas Theater Center. Sports is another major characteristic of Dallas.





Property Photos



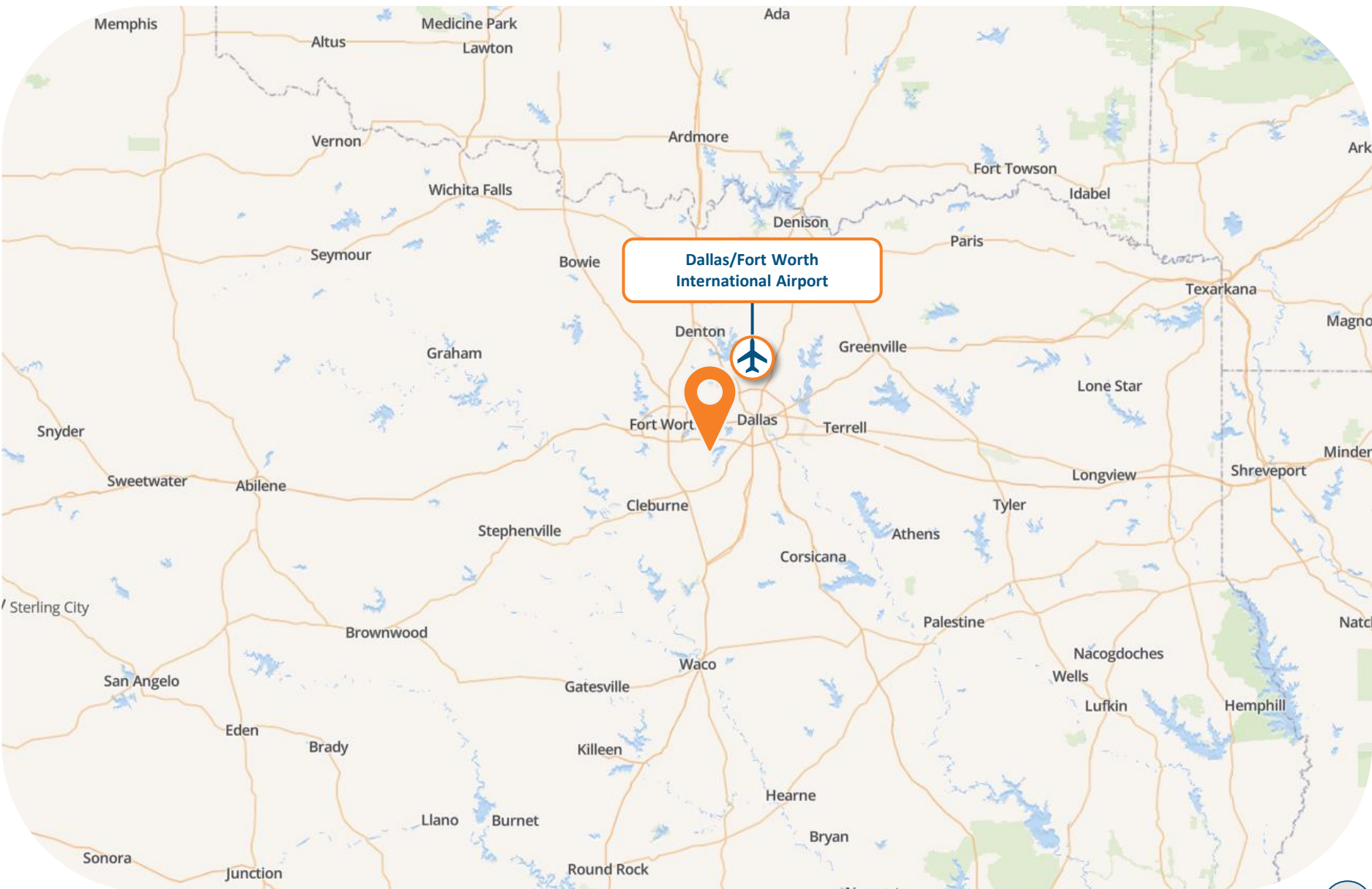


Surrounding Area Photos





Local Map



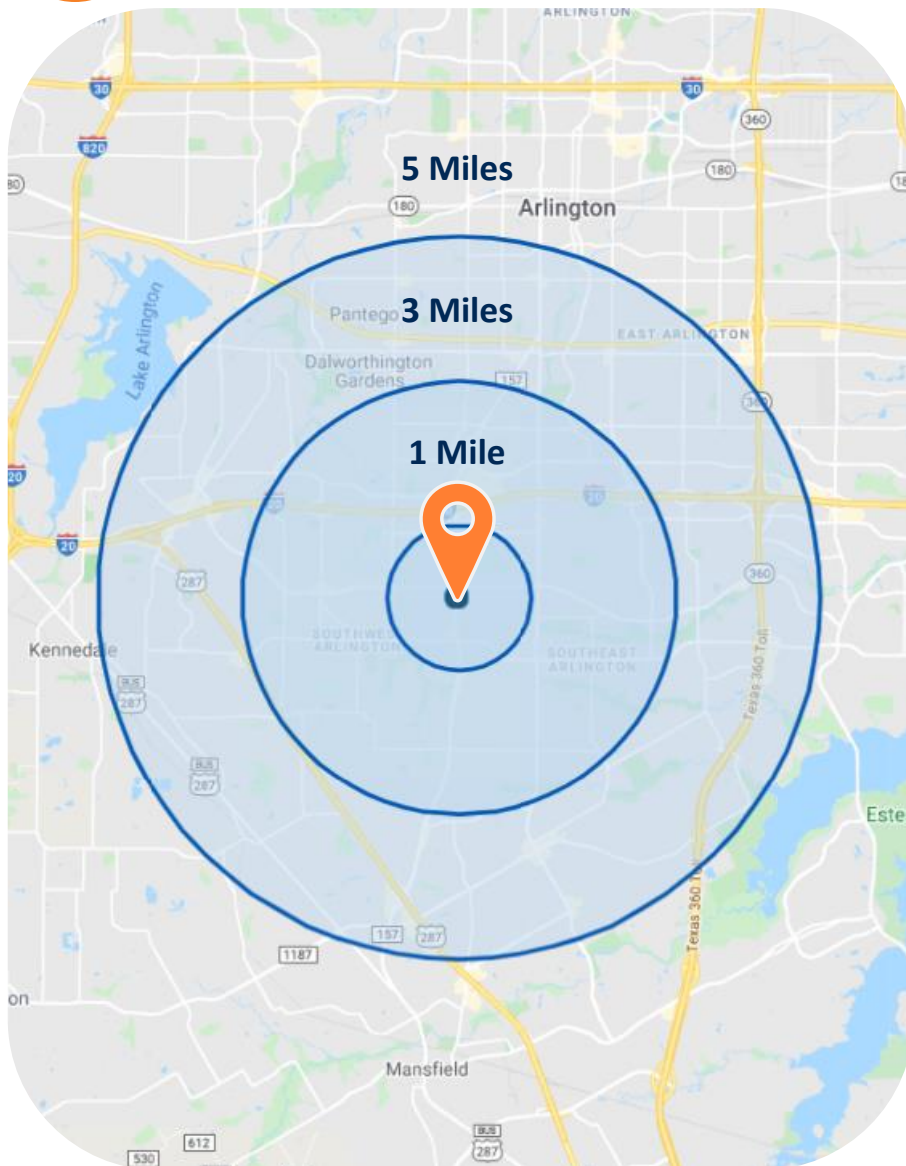


Regional Map





Demographics



Population Trends:

	1 Mile	3 Miles	5 Miles
2010 Population	16,806	108,431	294,109
2020 Population	17,104	113,450	319,542
2025 Population Projection	17,615	117,348	332,408
Growth 2010 - 2020	0.20%	0.40%	0.80%
Growth 2020 - 2025	0.60%	0.70%	0.80%

Population by Race (2020):

	1 Mile	3 Miles	5 Miles
White	9,329	71,099	204,185
Black	5,406	27,496	74,797
American Indian/Alaskan Native	73	914	2,655
Asian	1,693	10,490	28,233
Hawaiian & Pacific Islander	28	192	568
Two or More Races	574	3,259	9,103
Hispanic Origin	3,426	26,224	79,331

Household Trends:

	1 Mile	3 Miles	5 Miles
2010 Households	5,899	37,306	102,565
2020 Households	5,955	38,592	110,306
2025 Household Projection	6,124	39,836	114,538
Growth 2010 - 2020	-0.10%	0.10%	0.40%
Growth 2020 - 2025	0.60%	0.60%	0.80%
Owner Occupied	3,698	29,534	78,551
Renter Occupied	2,426	10,302	35,987

Average Household Income (2020):

	1 Mile	3 Miles	5 Miles
Average Household Income (2020)	\$92,683	\$99,795	\$94,172

Households by Household Income (2020):

	1 Mile	3 Miles	5 Miles
<\$25,000	835	3,553	12,652
\$25,000 - \$50,000	1,188	6,959	20,605
\$50,000 - \$75,000	1,100	7,429	22,100
\$75,000 - \$100,000	858	5,957	16,599
\$100,000 - \$125,000	440	4,617	11,841
\$125,000 - \$150,000	527	3,414	9,571
\$150,000 - \$200,000	581	3,690	9,653



Market Overview



Dallas, TX



Dallas Forth Worth is the ninth-largest city and part of the fourth-largest metropolitan area in the nation, Dallas covers approximately 343 square miles. The ultra modern sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas.

The Dallas-Forth Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. Dallas will remain a top destination for corporate relocations due to its business-friendly environment. Twenty-two Fortune 500 companies are headquartered in the metro, making it the third largest concentration in the nation, including companies such as Southwest Airlines, AT&T, Texas Instruments and Exxon Mobil. The area also has one of the highest concentrations of privately held companies, with at least 1 billion in annual revenues headquartered in the area. More than 10,000 national and international corporations maintain regional and subsidiary headquarters in the MSA.

Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year-round. Dallas has been named one of the top 3 Sports Town in the nation by Sports Illustrated. In addition to its large number of sport related activities, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall.

INFORMATION ABOUT BROKERAGE SERVICES



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Licensed Supervisor of Sales Agent/ Associate	License No.	Phone
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EXCLUSIVE NET LEASE OFFERING

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